

**RESOLUTION NO. OB 14-01**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING A PRELIMINARY SUBMISSION TO THE STATE DEPARTMENT OF FINANCE REGARDING A PROPOSED REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS OF THE FIREBAUGH REDEVELOPMENT AGENCY**

**WHEREAS**, the Firebaugh Redevelopment Agency (the “Original Agency”) was a redevelopment agency in the City of Firebaugh (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the “Redevelopment Law”); and

**WHEREAS**, the City Council has adopted redevelopment plans for Firebaugh’s redevelopment project area, and from time to time, the City Council has amended such redevelopment plan; and

**WHEREAS**, the Original Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, Assembly Bill No. X1 26 (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and the California Health and Safety Code, including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the California Health and Safety Code; and

**WHEREAS**, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Original Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council adopted a resolution pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Original Agency upon the dissolution of the Original Agency (the “Successor Agency”); and

**WHEREAS**, the Board of Directors of the Successor Agency adopted a resolution naming itself the “Successor Agency to the Firebaugh Redevelopment Agency,” the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (Chapter 26, Statutes 2012) (“AB 1484”), which imposed additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies, including, without limitation, refunding or refinancing bonds or other indebtedness; and

**WHEREAS**, California Health and Safety Code Section 34179, added by AB 26 and amended by AB 1484 (collectively, the “Dissolution Act”), establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the “oversight board.” The oversight board has been established for the Successor Agency (hereinafter referred to as the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to California Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in California Health and Safety Code Sections 34179 through 34181 of the Dissolution Act; and

**WHEREAS**, pursuant to California Health and Safety Code Section 34179.7 of the Dissolution Act, the California Department of Finance (the “Department of Finance”) has issued a Finding of Completion to the Successor Agency; and

**WHEREAS**, the Original Agency is obligated to pay the Firebaugh Redevelopment Project Tax Allocation Bonds, 2005 Series A, issued in the aggregate principal amount of \$3,770,000 (the “Series A Bonds”), and Firebaugh Redevelopment Project Taxable Tax Allocation Bonds, 2005 Series B, issued in the aggregate principal amount of \$3,450,000 (the “Series B Bonds” and, collectively with the Series A Bonds, the “Bonds”) for the purpose of financing programs, projects and activities relating to the Original Agency’s Firebaugh Redevelopment Project (the “Redevelopment Project”) from tax increment revenues derived from the Redevelopment Project; and

**WHEREAS**, AB 1484, among other things, amended the California Health and Safety Code to authorize the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Refunding Law”) for the purpose of achieving debt service savings; and

**WHEREAS**, the Dissolution Act added Section 34177.5 to the California Health and Safety Code, which authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Original Agency, subject to the conditions precedent contained in Section 34177.5 and the approval of the Successor Agency’s Oversight Board; and

**WHEREAS**, the Successor Agency is contemplating the refunding of the Bonds by issuing an additional series of bonds (the “Refunding Bonds”) under and pursuant to the Refunding Law, which will produce debt service savings, thereby increasing the amount of property taxes paid to the taxing entities; and

**WHEREAS**, the Successor Agency has caused to be prepared by Southwest Securities, Inc. (the “Placement Agent”) an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of such refunding (the “Refunding Analysis”), attached as Exhibit A to this Resolution, and intends to submit the plan of refunding (including the Refunding Analysis) to the Department of Finance for preliminary approval, and the Oversight Board desires to consent to such preliminary submission.

**NOW, THEREFORE**, the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency resolves as follows:

**SECTION 1.** The Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities by the refunding the Bonds, as evidenced by the Refunding Analysis, and determines that the proposed issuance of the Refunding Bonds will be of benefit to the taxing entities for the reasons set forth above.

**SECTION 2.** The Secretary to the Successor Agency is hereby authorized and directed to file the Refunding Analysis, together with a certified copy of this Resolution, as provided in Section 34180(j) of the California Health and Safety Code, with the Fresno County Administrative Officer, the Fresno County Auditor-Controller and the Department of Finance.

**SECTION 3.** The Oversight Board hereby directs the Successor Agency to cause the preparation of appropriate documentation for the issuance of the Refunding Bonds, and to submit such documentation to the Oversight Board for approval in accordance with the provisions of Section 34177.5 and 34180 of the California Health and Safety Code. The Oversight Board further approves the Successor Agency's submittal of the proposed plan of refunding (including the Refunding Analysis) to the Department of Finance for preliminary approval; provided, the Oversight Board is under no obligation to go forward with issuance of the Refunding Bonds unless satisfactory terms are presented to the Oversight Board.

**SECTION 4.** The Oversight Board approves the retention by the Successor Agency of A. M. Peche & Associates LLC, as financial advisor, Southwest Securities, Inc., as placement agent, Nossaman LLP as bond counsel, and RSG, Inc., as fiscal consultant, in the preparation of the Refunding Bond transaction.

**SECTION 5.** The Oversight Board further authorizes its staff and the Successor Agency to take such other actions as they deem necessary or convenient to expedite the process of review of the refunding transaction by the Department of Finance.

**SECTION 6.** This Resolution shall take effect immediately upon approval by the board of the Successor Agency of a resolution authorizing submittal of the plan of refunding to the Department of Finance.

PASSED AND ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency held on the 16th day of January, 2014, by the following vote, to wit:

AYES: McDonald, Minnite, Stoppenbrink, Lopez, Cline

NOES:

ABSTAIN:

ABSENT: Freitas, Knight

APPROVED:

  
Chairperson, Oversight Board

ATTEST:

  
Secretary, Oversight Board

I hereby certify that the above Resolution No. OB 14-01 was duly introduced, read and adopted by the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency at a special meeting held on January 16, 2014.

  
Secretary

**EXHIBIT A**  
**REFUNDING ANALYSIS**

## EXHIBIT "A"

### Firebaugh - Aggregate Savings (Uniform)

<u>Bond Year Ending</u>	<u>Tax-Exempt Savings</u>	<u>Taxable Savings</u>	<u>Aggregate Savings</u>
	\$ 28,678.19	\$ 34,969.83	\$ 63,648.02
12/1/2014	40,807.30	49,759.72	90,567.02
12/1/2015	40,806.74	49,760.16	90,566.90
12/1/2016	40,807.52	49,760.24	90,567.76
12/1/2017	40,807.62	49,759.46	90,567.08
12/1/2018	40,807.06	49,759.42	90,566.48
12/1/2019	40,806.90	49,760.40	90,567.30
12/1/2020	40,807.12	49,760.24	90,567.36
12/1/2021	40,807.74	49,760.42	90,568.16
12/1/2022	40,807.76	49,759.46	90,567.22
12/1/2023	40,807.22	49,760.14	90,567.36
12/1/2024	40,807.16	49,759.58	90,566.74
12/1/2025	40,807.58	49,759.68	90,567.26
12/1/2026	40,807.24	-	40,807.24
12/1/2027	40,807.36	-	40,807.36
12/1/2028	40,806.86	-	40,806.86
12/1/2029	40,807.54	-	40,807.54
12/1/2030	40,807.00	-	40,807.00
12/1/2031	40,806.96	-	40,806.96
12/1/2032	40,806.82	-	40,806.82
12/1/2033	40,807.64	-	40,807.64
12/1/2034	40,806.90	-	40,806.90
12/1/2035	<b>TOTAL \$ 885,630.23</b>	<b>\$ 632,088.75</b>	<b>\$ 1,517,718.98</b>

\$ 244,781.94 \$ 51,404.21

### Firebaugh - Aggregate Savings (Frontloaded)

<u>Bond Year Ending</u>	<u>Tax-Exempt Savings</u>	<u>Taxable Savings</u>	<u>Aggregate Savings</u>
	\$ 31,644.64	\$ 99,999.13	\$ 131,643.77
	\$ 150,688.75	\$ 476,186.35	\$ 626,875.10
			\$ 131,643.77
12/1/2014	82,932.31	238,620.83	321,553.14
12/1/2015	33,878.22	194,952.26	228,830.48
12/1/2016	33,878.22	42,613.26	76,491.48
12/1/2017	33,878.22	0.84	33,879.06
12/1/2018	33,878.22	1.00	33,879.22
12/1/2019	33,878.22	0.34	33,878.56
12/1/2020	33,878.22	0.28	33,878.50
12/1/2021	33,878.22	0.04	33,878.26
12/1/2022	33,878.22	0.74	33,878.96
12/1/2023	33,878.22	0.78	33,879.00
12/1/2024	33,878.22	0.24	33,878.46
12/1/2025	33,878.22	0.04	33,878.26
12/1/2026	248,878.22	0.96	248,879.18
12/1/2027	4,328.72	-	4,328.72
12/1/2028	0.52	-	0.52
12/1/2029	0.06	-	0.06
12/1/2030	0.12	-	0.12
12/1/2031	0.16	-	0.16
12/1/2032	0.08	-	0.08
12/1/2033	0.54	-	0.54
12/1/2034	0.82	-	0.82
12/1/2035	0.06	-	0.06
	<b>TOTAL \$ 708,802.03</b>	<b>\$ 476,191.61</b>	<b>\$ 1,184,993.64</b>